

## **TRANSPORTATION REPORT**

From: Terry Whiteside

To: The Montana Wheat & Barley Committee

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**Press releases by Chairman Oberstar and Congressman Tim Walz regarding the USDA rail study that was released yesterday April 27, 2010.**

### **Oberstar Lauds DOT-USDA Study on Rural Transportation**

WASHINGTON – A joint report was issued today by the Department of Transportation and the Department of Agriculture that focuses on transportation and its effects on rural communities. The report confirms several areas of concern in the rail industry that have been addressed by the Committee on Transportation and Infrastructure through legislative proposals, hearings, and oversight.

“Many of the issues highlighted in this study relate back to the relative lack of competition in the rail industry, which adversely affects the agriculture industry and other sectors that are vital to a robust economy. The unprecedented consolidation within the rail industry that has occurred since it was deregulated in 1980 has resulted in record profits for railroad companies, but entire states and regions have become captive to a single Class I railroad. We have heard from many shippers who are very frustrated with the decrease in competition among railroads, because shippers now have fewer routing choices, higher rates, and debilitating paper barriers,” said Rep. James L. Oberstar (Minn.), Chairman of the Committee on Transportation and Infrastructure. “This study details many of the issues that shippers are concerned about, and it confirms that Congress must reduce impediments to competition that adversely affect rail customers.”

In the 110<sup>th</sup> Congress, Oberstar introduced the Railroad Competition and Service Improvement Act of 2007 (H.R. 2125). The legislation required the Surface Transportation Board to promote effective competition among rail carriers at origins and destinations, enforce reasonable rates for rail customers in the absence of competition, and ensure efficient and reliable rail transportation service for rail customers.

"The T&I Committee has held numerous hearings on the future of freight rail, rail competition, and the need for greater intermodalism in the United States. These issues are particularly important to the agricultural sector, which uses trucking, railroads, barges, and ocean vessels to get their products to markets in the U.S. and around the world. These modes of transport must work together as a single, flexible network that seamlessly and efficiently moves food products from the farm to American families' dinner tables, or even to foreign markets," said Oberstar. "The DOT-USDA report confirms that Congress must make strategic decisions about the nation's infrastructure in order to meet the needs of rural America today and future generations of farmers."

The Committee Blueprint for the Surface Transportation Authorization Act of 2009, which was marked up by the Highways and Transit Subcommittee last year, establishes an Office of Intermodalism within DOT that would be tasked with creating a national strategic transportation plan.

Oberstar pledged to continue working toward enacting legislation to reauthorize the Surface Transportation Board, increase competition in the rail industry, and expand intermodalism across the nation.

"It is vitally important that Congress reauthorize the STB, and I have been working to do just that," said Oberstar.

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## **REPRESENTATIVE WALZ = USDA/US DOT RELEASE WALZ TRANSPORTATION STUDY**

Washington, DC - Today, the U.S. Department of Agriculture and the U.S. Department of Transportation released a report to study freight transportation issues facing rural America. The study focused on freight rail, particularly as it relates to the movement of agricultural inputs and commodities, renewable fuels, and coal. The study was mandated by a Walz amendment to the 2008 Farm Bill.

"The transportation of agricultural products is critical to our rural economy," said Walz. "This study provides Congress the most up-to-date data and information about transportation challenges we face in rural America. I am pleased that this study will allow us to make informed decisions about policies that lead to more efficient transportation of commodities and goods in the future, particularly as Congress prepares to take up the Surface Transportation Reauthorization bill."

The Study of Rural Transportation Issues, conducted jointly by USDA and the Department of Transportation, examined the effect of deregulation on the rail industry, the reasonableness of

rates and the reliability of service, how better policies can improve the flow of freight through all modes of transportation and whether the federal grievance process for shippers is too cumbersome to be effective.

This study reaffirmed that freight rail is a critical mode of transportation for rural America. It also confirmed that decreased competition in the rail industry has led to increased rates for shippers and ultimately, consumers who are buying groceries or paying their electricity bills.

To read the study, please click here:

<http://www.ams.usda.gov/AMSv1.0/RuralTransportationStudy>

Last week, The Hill published an op-ed by Rep. Walz that called for open and free competition in the rail industry, while acknowledging the important role the rail industry plays in shipping goods throughout the United States. To read that op-ed, please click here:

<http://thehill.com/opinion/op-ed/94027-restore-balance-and-competition-to-rail-industry>